

108TH CONGRESS  
1ST SESSION

# H. R. 2406

To support the domestic shrimping industry by eliminating taxpayer subsidies for certain competitors, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 2003

Mr. PAUL introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Resources and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To support the domestic shrimping industry by eliminating taxpayer subsidies for certain competitors, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Shrimp Importation  
5       Financing Fairness Act”.

6       **SEC. 2. FINDINGS.**

7       The Congress finds the following:

1           (1) The United States domestic shrimping in-  
2           dustry is a vital social and economic force for many  
3           coastal communities across the United States, af-  
4           fecting not simply those who own and operate  
5           shrimp boats but entire community economies in-  
6           cluding food processors, hoteliers and restaurateurs,  
7           grocery markets, and all those who work in and  
8           service these industries and others.

9           (2) In addition to the economic importance of  
10          the domestic shrimping industry, the industry serves  
11          as a key source of safe domestic foods at a time  
12          when the nation is engaged in hostilities abroad.

13          (3) Many nations have blocked the importation  
14          of shrimp from certain foreign countries because of  
15          their contamination with various substances, but the  
16          United States Government has yet to take any such  
17          action.

18          (4) Existing international trade agreements are  
19          ostensibly designed to decrease not just government  
20          regulation of trade but also government trade sub-  
21          sidies.

22          (5) The domestic shrimping industry has been  
23          highly regulated by the Federal Government through  
24          Federal requirements of usage of items, such as by-  
25          catch reduction devices and turtle excluder devices

1 (in this Act referred to as “TEDs”), which result in  
2 a significant loss of product per trawl, hence dam-  
3 aging the competitive position and market share of  
4 the domestic shrimping fishery.

5 (6) Seven non-NAFTA foreign countries (Thai-  
6 land, Vietnam, India, China, Ecuador, Indonesia,  
7 and Brazil) have taken advantage of this Govern-  
8 ment-imposed reduction in competitiveness, by each  
9 exporting in excess of 20,000,000 pounds of shrimp  
10 to the United States in the first 6 months of 2002.

11 (7) These foreign countries account for nearly  
12 70 percent of all shrimp consumed in the United  
13 States in the first 6 months of 2002 and nearly 80  
14 percent of all shrimp imported to this country in the  
15 same period.

16 (8) Since 1999 our Government has provided  
17 more than \$1,800,000,000 in financing and insur-  
18 ance for these foreign countries through the Over-  
19 seas Private Investment Corporation, and our Gov-  
20 ernment’s current exposure relative to these coun-  
21 tries through our Export-Import Bank totals some  
22 \$14,800,000,000, bringing the total subsidy of these  
23 countries by the United States to over  
24 \$16,500,000,000.

1           (9) Many of these countries are not market-ori-  
2           ented, and hence their participation in United  
3           States-supported international finance regimes  
4           amounts to a direct subsidy by American taxpayers  
5           in the shrimping sector of their international com-  
6           petitors.

7           (10) In any case, any national economy that  
8           benefits directly from participation in these finance  
9           regimes indirectly grants benefits to our foreign  
10          shrimping competitors simply because of the  
11          fungibility of funds.

12          (11) The level of imports of shrimp by the  
13          United States from these countries has compounded  
14          the anticompetitive effects of our current Federal  
15          regulatory regime in this sector, leading to a depres-  
16          sion of the price of shrimp.

17          (12) There is a crisis developing in the domestic  
18          shrimping industry, as evidenced by the fact that the  
19          National Marine Fisheries Service, the lead Federal  
20          agency in regulating the domestic shrimping fishery,  
21          held briefings with staff of the House of Representa-  
22          tives and the Senate, and with industry representa-  
23          tives, to discuss this crisis and seek solutions there-  
24          to.

1           (13) Despite this meeting, the National Marine  
2       Fisheries Service has not announced that it will fore-  
3       go future regulatory encumbrances upon the domes-  
4       tic shrimping industry such as previously proposed  
5       TEDs modifications that would further harm com-  
6       petitiveness of the domestic shrimping fishery.

7   **SEC. 3. MORATORIUM ON RESTRICTIVE REGULATIONS ON**  
8                           **DOMESTIC SHRIMPING INDUSTRY.**

9       The Secretary of Commerce shall not impose any new  
10     restrictive regulations on the domestic shrimping industry,  
11     including the proposed regulations modifying require-  
12     ments relating to turtle excluder devices published on Oc-  
13     tober 2, 2001, except as authorized by a law enacted after  
14     the date of enactment of this Act.

15   **SEC. 4. BAN ON OPIC FINANCING AND INSURANCE TO**  
16                   **COUNTRIES       EXPORTING       EXCESSIVE**  
17                   **AMOUNTS OF SHRIMP.**

18       The Overseas Private Investment Corporation may  
19     not issue any contract of insurance or reinsurance or any  
20     guaranty, or enter into any agreement to provide financ-  
21     ing, in connection with a project undertaken or to be un-  
22     dertaken in a country which exported more than  
23     20,000,000 pounds of shrimp to the United States in the  
24     first 6 months of calendar year 2002, until 3 months after  
25     the foreign country has reduced its shrimp exports to the

1 United States to less than 3,000,000 pounds per month  
 2 for a period of 3 consecutive months.

3 **SEC. 5. UNITED STATES OPPOSITION TO IMF ASSISTANCE**  
 4 **TO COUNTRIES EXPORTING EXCESSIVE**  
 5 **AMOUNTS OF SHRIMP TO THE UNITED**  
 6 **STATES IN THE FIRST 6 MONTHS OF 2002.**

7 The Bretton Woods Agreements Act (12 U.S.C.  
 8 635(b)) is amended by adding at the end the following:

9 **“SEC. 64. OPPOSITION TO IMF ASSISTANCE TO COUNTRIES**  
 10 **EXPORTING EXCESSIVE AMOUNTS OF**  
 11 **SHRIMP TO THE UNITED STATES IN THE**  
 12 **FIRST 6 MONTHS OF 2002.**

13 “(a) IN GENERAL.—The Secretary of the Treasury  
 14 shall instruct the United States Executive Director at the  
 15 Fund to use the voice, vote, and influence of the United  
 16 States to oppose the provision by the Fund of assistance  
 17 in any form to any foreign country which exported to the  
 18 United States more than 20,000,000 pounds of shrimp in  
 19 the first 6 months of calendar year 2002, until 3 months  
 20 after the foreign country has reduced its shrimp exports  
 21 to the United States to less than 3,000,000 pounds per  
 22 month for a period of 3 consecutive months.

23 “(b) REDUCTION OF UNITED STATES CONTRIBU-  
 24 TIONS.—

1           “(1) IN GENERAL.—If, during the first 3-month  
2           period referred to in subsection (a), the Fund pro-  
3           vides assistance in any form to a foreign country re-  
4           ferred to in subsection (a), the Secretary of the  
5           Treasury shall reduce the amount otherwise author-  
6           ized to be contributed by the United States to the  
7           Fund in the first fiscal year that begins after the  
8           provision of the assistance by a percentage equal  
9           to—

10                   “(A) the amount contributed by the United  
11           States to the Fund in the fiscal year in which  
12           the assistance is so provided, divided by the  
13           total of the amounts contributed to the Fund  
14           by all member countries in the fiscal year in  
15           which the assistance is so provided; multiplied  
16           by

17                   “(B) the total amount of assistance pro-  
18           vided by the Fund to the foreign country in the  
19           fiscal year referred to in subparagraph (A), di-  
20           vided by the total amount of assistance pro-  
21           vided by the Fund to all countries in the fiscal  
22           year referred to in subparagraph (A).

23           “(2) CONTINUATION OF REDUCTIONS IF NEC-  
24           CESSARY TO RECOVER FULL AMOUNT OF OPPOSED  
25           ASSISTANCE.—The Secretary shall continue to re-

1       duce the amount otherwise authorized to be contrib-  
2       uted by the United States to the Fund for suc-  
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7       eign country.

8       “(c) NOTICE TO THE CONGRESS OF AMOUNT OF IM-  
9       PENDING REDUCTION.—Within 60 legislative days after  
10      the Fund, during the first 3-month period referred to in  
11      subsection (a), provides assistance in any form to a foreign  
12      country referred to in subsection (a), the Secretary of the  
13      Treasury shall—

14             “(1) determine the amount by which the United  
15      States contribution to the Fund is required to be re-  
16      duced under subsection (b); and

17             “(2) notify the Committee on Financial Services  
18      of the House of Representatives and the Committee  
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20      the required reduction.”.



1 **SEC. 6. BAN ON EXPORT-IMPORT BANK ASSISTANCE TO**  
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